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the Pennsylvania Supreme Court could reverse the lower court on the simple law of contract. For a discussion of a related topic, the treatment of judicial decisions as denying due process under the Federal Constitution, see (1917) 27 YALE LAW JOURNAL, 121.

M. S. B.

CONFLICT OF LAWS—CONTRACTS—RETROACTIVE MORATORIUM AND DEPRIVATION OF INTEREST BY LEX CONTRACTUS.—A German company having property in Great Britain owed a debt to an English creditor under a contract to which, as regards all ordinary aspects, the English court deemed the German rules of contract applicable. A German retroactive ordinance postponed payment of claims until further notification, with no interest for this period of postponement. *Held*, that the German ordinance was to be disregarded as contrary to the usage of nations, and interest computed according to German law existing prior to the ordinance. *Re Fried Krupp Aktien-Gesellschaft* (1917, Ch. D.) 117 L. T. Rep. 21.

It is a general rule of English and American law that the *lex contractus* (that is, either the *lex loci contractus* or the *lex loci solutionis*, as the case may be) is the law which governs a contract not merely with regard to its creation but with regard to all the conditions applicable to it as a contract. *Gibbs v. Société Industrielle* (1890, C. A.) 25 Q. B. D. 399; *Pritchard v. Norton* (1882) 106 U. S. 124, 27 Sup. Ct. 104. The same rule that applies to the primary obligation also governs the secondary obligation of a contract. See *Atwood v. Walker* (1901) 179 Mass. 514, 61 N. E. 58; *cf. Davis v. Mills* (1904) 194 U. S. 451, 24 Sup. Ct. 692; *Are Secondary Contractual Obligations Governed by the Law of the Contract?* (1915) 25 YALE LAW JOURNAL 147. This rule is applied to ordinary matters of discharge. *Gibbs v. Société Industrielle*, *supra*. And even to a postponement of payment by a retroactive moratorium decree. *Rouquette v. Overman* (1875) L. R. 10 Q. B. 525; see *Moratorium Decrees and the Conflict of Laws* (1917) 26 YALE LAW JOURNAL, 771. In the principal case, therefore, *prima facie* the court should apply the German ordinance in question, but the adoption of foreign laws "is to be regulated purely according to considerations of justice, policy, expediency and international reciprocity." *Moratorium Decrees and the Conflict of Laws*, *ubi supra*, at p. 772; see Professor Wesley N. Hohfeld, *The Individual Liability of Stockholders and the Conflict of Laws* (1909) 9 COL. L. REV. 492, 496, 520. It is submitted that the court was wrong in declaring the German ordinance contrary to the usage of nations. *Brown v. Hiatts* (1872, U. S.) 15 Wall. 177; *Du Belloix v. Lord Waterpark* (1822, K. B.) 1 D. & R. 16. Yet the decision is believed to be correct since, on general principles of the conflict of laws, it was proper to deny application of a statute of an enemy nation prejudicial to British interests and against British public policy. *Cf. Wolff v. Oxholm* (1817, K. B.) 6 M. & S. 92. See also *The Halley* (1868) L. R. 2 P. C. 193; *Kaufman v. Gerson* (C. A.) [1904] 1 K. B. 591; *Morisette v. Canadian Pac. R. Co.* (1904) 76 Vt. 267, 56 Atl. 1102.

CONFLICT OF LAWS—TRANSFER OF BOND IN FOREIGN STATE—LAW GOVERNING PURCHASE FOR VALUE.—In a suit in Wisconsin to foreclose mortgage bonds issued by a Wisconsin corporation in that state and delivered to the appellant in New Mexico by a previous holder as collateral security for a pre-existing debt, the appellant claimed to be a holder for value in due course according to the law of New Mexico. The trial court excluded evidence as to the law of New Mexico. *Held*, that the exclusion was proper since the Wisconsin law, not the law of New Mexico, governed the question whether the appellant was "holder